

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2020-41-E - ORDER NO. 2020-332

APRIL 30, 2020

IN RE: Dominion Energy South Carolina, Inc.'s)	ORDER APPROVING
2020 Annual Update on Demand Side)	RATE RIDER CHANGE
Management Programs and Petition for an)	AND ADDRESSING
Update to Rate Rider)	CERTAIN DEMAND SIDE
)	MANAGEMENT
)	PROGRAMS

This matter comes before the Public Service Commission of South Carolina (the “Commission”) pursuant to S.C. Code Ann. § 58-37-20 (2015) and S.C. Code Ann. Regs. 103-819 and 103-825 (2012) and in compliance with Order No. 2010-472, as affirmed and modified by Order No. 2013-826 and Order No. 2019-880, for consideration of Dominion Energy South Carolina, Inc.’s (“Dominion” or the “Company”) Annual Update on Demand Side Management Programs and Petition to Update Rider. The Company submitted for review information concerning the current status of Dominion’s demand reduction and energy efficiency (“Demand Side Management” or “DSM”) programs and petitions the Commission for authorization to update its “Rider to Retail Rates – Demand Side Management Component” (“DSM Rider”) to provide for the recovery of the Company’s costs and net lost revenues associated with its DSM programs, along with an incentive for investing in such programs, effective for bills rendered on and after the first billing cycle of May 2020.

I. NOTICE AND INTERVENTION

By letter dated February 5, 2020, the Clerk’s Office of the Commission instructed the Company to publish, by February 20, 2020, a Notice of Filing (the “Notice”) in newspapers of general circulation. Among other things, the Notice provided information regarding the nature of the proceeding and advised any interested person desiring to participate as a party of record to file a Petition to Intervene on or before March 12, 2020.

On February 24, 2020, the Company filed affidavits demonstrating that the Notice was duly published in accordance with the instructions set forth in the February 5, 2020 letter of the Clerk’s Office. Walmart, Inc. (“Walmart”) timely filed its Petition to Intervene on February 21, 2020. Dominion did not oppose the Petition to Intervene, and no other parties sought intervention. The South Carolina Office of Regulatory Staff (“ORS”) is a party of record pursuant to S.C. Code Ann. § 58-4-10(B) (Supp. 2019).

II. BACKGROUND

By Order No. 2010-472, as affirmed and modified by Order No. 2013-826 and Order No. 2019-880, the Commission approved Dominion’s suite of DSM programs and authorized the Company to continue its DSM Rider. The DSM Rider is designed to allow the Company to recover the costs and net lost revenues associated with its DSM programs along with a shared savings incentive. Through Program Year 9, the Shared Savings Incentive is equal to 6% of the customers’ net benefits. In accordance with Order No. 2019-880, the Shared Savings Incentive in Program Year 10 and thereafter is equal to 9.9% of the customers’ net benefits as determined by the Total Resource Cost test. *See* S.C. Code Ann. § 58-37-20 (2015).

In Order No. 2019-880, the Commission instructed Dominion to continue to file an annual report in January of each year as directed in Order No. 2010-472 and Order No. 2013-826 and to continue to do so each January through the life of the DSM programs. The annual filing must set forth the programs, net lost revenues, program costs, shared savings incentive, net program benefits, and other items as appropriate. Moreover, the annual filing must encompass the twelve-month period beginning December 1 and ending November 30.

For this annual filing, the prior review period is December 1, 2017, to November 30, 2018 (“Program Year 8”); the current review period is December 1, 2018, to November 30, 2019 (“Program Year 9”); and the forecasted period is December 1, 2019, to November 30, 2020 (“Program Year 10”).

III. RATE RIDER

Dominion asserts that the Company is entitled to recover \$24,021,909 as an amortization of Program Costs, \$15,326,879 for Net Lost Revenues, and \$1,297,412 as an amortization of the Shared Savings Incentive, for a total requested recovery of \$40,646,200. The Office of Regulatory Staff agrees; it states that the updated DSM Rider was developed in accordance with the terms and conditions set forth in Order Nos. 2010-472, 2013-826, and 2019-880.

To recover these amounts, the Company requests approval of the following DSM Rider figures: \$0.00220 per kilowatt-hour for residential customers, \$0.00402 per kilowatt-hour for small general service customers, \$0.00261 per kilowatt-hour for medium general service customers, and \$0.00116 per kilowatt-hour for large general

service customers. Based upon the foregoing, the DSM Rider for a residential customer will increase from \$0.00184 to \$0.00220 per kilowatt-hour. The Company and ORS estimate this will cause the bill of an average residential customer using 1,000 kilowatt-hours per month to increase by approximately \$0.35.¹

IV. DSM PROGRAMS

Dominion currently offers ten (10) DSM programs, seven (7) residential programs – Home Energy Check-Up, ENERGY STAR Lighting, Heating & Cooling, Home Energy Reports, Neighborhood Energy Efficiency Program (“NEEP”), Appliance Recycling, and Multifamily – and three (3) commercial and industrial programs – EnergyWise for Your Business, Small Business Energy Solutions, and Municipal LED Lighting.

ORS is concerned that Program Year 8 energy savings fell short of projected savings but is encouraged by the Company’s future projections of energy savings in Program Year 9 and Program Year 10.

ORS reports the Company made the following major changes to its program offerings during Program Year 9:

- The Home Energy Check-Up Program began the installation of kitchen faucet aerators where applicable and worked to reach additional low to moderate customers and elderly customers;

¹ The actual change in the DSM factor equates to a \$0.36 per month increase in the 1,000 kilowatt-hour residential electric bill, but the application of the Tax Rider approved in Commission Order No. 2018-804 reduces the impact to a \$0.35 increase.

- Neighborhoods in Walterboro, Holly Hill and Columbia along with multifamily homes in Charleston, Beaufort and Ridgeland were added to the NEEP Program;
- The Appliance Recycling Program added two (2) new prize pack promotions to incentivize customers; and
- The ENERGY STAR Lighting Program distributed nearly 100,000 LED bulbs through direct mail and social media promotions.

V. INTERVENOR COMMENTS AND ADVISORY GROUP UPDATES

According to Walmart, it performed a review of the Company's filing along with the supporting documentation and asserts it has no comments or issues with respect to the filing or DSM Rider. However, Walmart states it will continue to collaborate with Dominion and other interested parties concerning the Company's programs in the future.

According to ORS, the Company's DSM Advisory Group ("Advisory Group")² continues to meet to discuss the status of each program, including preliminary participation statistics, Evaluation, Measurement & Verification ("EM&V") plans and preliminary EM&V data. The Advisory Group met on April 25, 2019 and November 19, 2019. During the meetings, Dominion provided updates on the status of the programs, the plans in place to meet the forecast of Program Year 10, and new proposals for Program Year 10 that will result from the Company's latest Market Potential Study and Order No. 2019-880. The Advisory Group offered insight regarding

² The Advisory Group was formed in accordance with Order No. 2010-472 and includes one representative each from the industrial sector, commercial sector, environmental sector, State Low Income Home Energy Assistance Program (LIHEAP), and ORS.

how the proposals could impact participation from various sectors and how the Company utilized the Advisory Group discussions in advance of a program launch.

To the extent that the information is not competitively sensitive, this Commission encourages the Company to continue to engage in a collaborative approach to discuss program processes and impact evaluations in upcoming Advisory Group meetings.

VI. FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Commission finds and concludes that Dominion administered its Demand Side Management programs under the current review period pursuant to S.C. Code Ann. § 58-37-20 (2015) and S.C. Code Ann. Regs. 103-819 and 103-825 (2012). In addition, we hold that they were developed in accordance with the terms and conditions set forth in Commission Order Nos. 2010-472, 2013-826, and 2019-880.³

VII. ORDERING PROVISIONS

IT IS THEREFORE ORDERED THAT:

1. Dominion's update to DSM Rider is approved to provide for the recovery of Dominion's costs and net lost revenues associated with its DSM programs along with the Commission-approved shared savings incentive for investing in such programs, effective for bills rendered on and after the first billing cycle of May 2020.

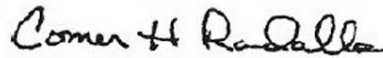
2. Dominion shall file the amended DSM Rider with rates approved by this Order within ten (10) days of receipt of this Order, and also serve copies on the parties.

³ Order No. 2019-880 requires Dominion to file an "Avoided Cost Report" with the Commission setting out the resulting avoided costs results and the changes, if any, to its DSM programs resulting from their reevaluation within 120 days of a final order being issued in Docket No. 2019-184-E (page 44). A final order was recently issued on March 24, 2020 (Order No. 2020-244).

The revised rider should be electronically filed in a text searchable PDF format using the Commission's DMS System (<https://dms.psc.sc.gov/>). An additional copy should be sent via e-mail to etariff@psc.sc.gov to be included in the Commission's ETariff system (<https://etariff.psc.sc.gov>). Dominion shall provide a reconciliation of each tariff rate change approved as a result of this order to each tariff rate revision filed in the ETariff system. Such reconciliation shall include an explanation of any differences and be submitted separately in DMS from the Company's ETariff filing. Each tariff sheet shall contain a reference to this Order and its effective date at the bottom of each page.


This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Comer H. "Randy" Randall, Chairman

ATTEST:



Jocelyn Boyd, Chief Clerk/Executive Director